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**ST. MARTIN ECONOMIC  
DEVELOPMENT AUTHORITY**  
St. Martinville, Louisiana

Financial Report

Year Ended June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/14/09

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## ACCOUNTANTS' REVIEW REPORT

Mr. Fred Mills, Jr.  
St. Martin Economic Development Authority  
St. Martinville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the St. Martin Economic Development Authority, as of and for the year ended June 30, 2008, which collectively comprise the Authority's basic financial statements, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the St. Martin Economic Development Authority.

A review consists principally of inquiries of Authority personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The required supplementary information on pages 20 through 21 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

The St. Martin Economic Development Authority has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

***Kolder, Champagne, Slaven & Company, LLC***

Certified Public Accountants

Breaux Bridge, Louisiana  
December 10, 2008

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Statement of Net Assets  
June 30, 2008

ASSETS

Current assets:

Cash & interest-bearing deposits	\$ 399,827
Receivables	3,361
Accrued interest	<u>1,305</u>
Total current assets	<u>404,493</u>

Noncurrent assets:

Restricted assets:

Cash & interest-bearing deposits	81,500
Capital assets, net	<u>262,102</u>
Total noncurrent assets	<u>343,602</u>

Total assets	<u>748,095</u>
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LIABILITIES

Accrued expenses	5,973
Deferred revenue	33,154
Assessment payable	30,263
Note payable	<u>81,500</u>

Total liabilities	<u>150,890</u>
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NET ASSETS

Invested in capital assets, net of related debt	262,102
Unrestricted	<u>335,103</u>

Total net assets	<u>\$ 597,205</u>
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ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Statement of Activities  
Year Ended June 30, 2008

General Government:

Accounting	\$ 2,170
Advertising	41
Allowance - travel	9,000
Compensation expense:	
Salary	42,802
Retirement	5,595
Group health insurance	10,033
Medicare	579
Depreciation	412
Dues and subscriptions	870
Economic development	6,523
Education	285
Industrial park project	21,180
Interest	1,099
Marketing and design	875
Miscellaneous	604
Office printing and supplies	2,944
Postage	1,049
Property assessments	30,824
Telephone expense	3,497
Travel	543
Utilities	255
Total expenses	<u>141,180</u>

General revenues:

Government Funding:	
City of Breaux Bridge	10,000
City of St. Martinville	14,000
St. Martin Parish Government	18,152
St. Martin Parish School Board	29,056
St. Martin Parish Sheriff	15,000
Interest income	17,786
Industrial park project	41,310
Miscellaneous	2,000
Total general revenues	<u>147,304</u>

Change in net assets 6,124

Beginning net assets 591,081

Ending net assets \$ 597,205

See accompanying notes and accountants' report.



**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTION - MAJOR FUND**

### **MAJOR FUND**

#### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Statement of Assets, Liabilities, and Fund Balance  
June 30, 2008

ASSETS

CURRENT ASSETS

Cash and interest-bearing deposits	\$ 481,327
Receivables	3,361
Accrued interest	<u>1,305</u>

TOTAL CURRENT ASSETS 485,993

TOTAL ASSETS \$ 485,993

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued expenses	\$ 5,973
Assessment payable	30,263
Deferred revenue	<u>33,154</u>

TOTAL LIABILITIES 69,390

FUND BALANCE

Unreserved	<u>416,603</u>
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TOTAL FUND BALANCE 416,603

TOTAL LIABILITIES AND FUND BALANCE \$ 485,993

The accompanying notes are an integral part of this statement.

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Reconciliation of the Statement of Assets, Liabilities, and Fund Balance  
to the Statement of Net Assets  
June 30, 2008

Total fund balance at June 30, 2008 \$ 416,603

Total net assets reported in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources  
and therefore, are not reported in the funds. Those assets consist of:

Land	\$ 260,764	
Equipment	5,034	
Accumulated depreciation	<u>(3,696)</u>	262,102

General long-term debt of governmental activities is not payable from  
current resources and, therefore, not reported in the funds. This debt is:

Note payable	<u>(81,500)</u>
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Total net assets at June 30, 2008 \$ 597,205

The accompanying notes are an integral part of this statement.

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Statement of Revenues, Expenses,  
and Changes in Fund Balance  
Year Ended June 30, 2008

REVENUES

City of Breaux Bridge	\$ 10,000
City of St. Martinville	14,000
St. Martin Parish Government	18,152
St. Martin Parish School Board	29,056
St. Martin Parish Sheriff	15,000
Interest income	17,786
Industrial park project	41,310
Miscellaneous	<u>2,000</u>

TOTAL REVENUES	<u>147,304</u>
----------------	----------------

EXPENSES

Accounting	2,170
Advertising	41
Allowance - travel	9,000
Capital outlay	260,764
Compensation expense:	
Salary	42,802
Retirement	5,595
Group health insurance	10,033
Medicare	579
Dues and subscriptions	870
Economic development	6,523
Education	285
Industrial park project	21,180
Marketing and design	875
Miscellaneous	604
Office printing and supplies	2,944
Postage	1,049
Property assessments	30,824
Telephone expense	3,497
Travel	543
Utilities	255
Debt service-	
Principal	56,000
Interest	<u>1,099</u>

TOTAL EXPENSES	<u>457,532</u>
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DEFICIENCY OF REVENUES OVER EXPENSES	(310,228)
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OTHER FINANCING SOURCES:

Proceeds from note payable	<u>137,500</u>
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TOTAL OTHER FINANCING SOURCES	<u>137,500</u>
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DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENSES	(172,728)
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FUND BALANCE, BEGINNING OF YEAR	<u>589,331</u>
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FUND BALANCE, END OF YEAR	<u>\$ 416,603</u>
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The accompanying notes are an integral part of this statement.

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Reconciliation of the Statement of Revenues, Expenses, and  
Changes in Fund Balance to the Statement of Activities  
For the Year Ended June 30, 2008

Total net changes in fund balance at June 30, 2008 per Statement of Revenues, Expenses, and Changes in Fund Balance	\$(172,728)
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The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenses, and Changes in Fund Balance	\$ 260,764	
Depreciation expense for the year ended June 30, 2008	<u>(412)</u>	260,352

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Note payable proceeds	(137,500)	
Principal payments on note payable	<u>56,000</u>	<u>(81,500)</u>

Total changes in net assets at June 30, 2008 per Statement of Activities	<u>\$ 6,124</u>
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The accompanying notes are an integral part of this statement.

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The St. Martin Economic Development Authority (the "Authority") was created on March 30, 1994 by the St. Martin Parish School Board, City of Breaux Bridge, City of St. Martinville, Village of Parks, and the St. Martin Parish Police Jury (now referred to as "Parish Government"). The Authority was formed as a nonprofit economic development cooperative, as mentioned in their articles of organization. The Authority operates under a Board of Directors and provides the following services as authorized by its articles of organization: economic development for St. Martin Parish.

The Board of Directors is composed of nine (9) members, appointed by the St. Martin Parish School Board, City of Breaux Bridge, City of St. Martinville, Village of Parks, the St. Martin Parish Government, and the St. Martin Parish Sheriff's Department.

The accompanying financial statements of the St. Martin Economic Development Authority have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Reporting Entity

For financial reporting purposes, the Authority includes all funds that are controlled by the Authority. The activities of the parish government, parish school board, independently elected parish officials, and municipal level government are not included within the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the Authority.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity.

The statement of activities presents a comparison between program revenues of the Authority and the cost of the function. Program revenues are derived directly from

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

authority users as a fee for services. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The Authority has only one function/activity, and therefore, only one fund.

The fund of the Authority is classified as governmental. The emphasis on fund financial statements is on the major governmental fund. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Authority is described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the Authority. It is used to account for all financial resources of the Authority.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating



ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets. In the fund financial statements, the economic resources measurement focus is also used.

**Basis of Accounting**

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Equity**

**Cash and interest-bearing deposits**

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts and certificates of deposits of the Authority.

**Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The Authority maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

straight-line method of depreciation. The estimated useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5 years
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**Debt**

All debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The debt consists of one note payable.

Debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest is reported as expenditures.

**Equity Classifications**

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved.

**E. Budgetary and Budgetary Accounting**

The St. Martin Economic Development Authority adopted a budget as required by Louisiana Revised Statute 39:1301-1316, for fiscal year end June 30, 2008.

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

G. Advertising

All of the Authority's advertising is expensed as incurred. Advertising expense amounted to \$41 for fiscal year ended June 30, 2008.

(2) Cash and Interest-Bearing Deposits

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2008, the Authority has cash and interest-bearing deposits (book balances) totaling \$481,327.

These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's policy, by state law, is that all deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2008 are secured as follows:

Bank balances	<u>\$ 479,006</u>
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At June 30, 2008 the deposits are secured as follows:

Insured	\$ 347,498
Uninsured and collateral held by pledging bank	<u>131,508</u>

not in Authority's name

Total	<u>\$ 479,006</u>
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ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

(3) Assessment Receivable

Each January, SMEDA assesses owners of the property in the SMEDA business park for maintenance and preservation of the business park. The assessments are due within thirty (30) days of the mailing of the assessment. As of June 30, 2008, \$3,361 of assessments had not been collected and are therefore shown as a receivable on the financial statements.

(4) Changes in Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance 07/01/07	Additions	Deletions	Balance 06/30/08
Governmental activities:				
Land	\$ -	\$ 260,764	\$ -	\$ 260,764
Equipment	5,034	-	-	5,034
Total	5,034	260,764	-	265,798
Less accumulated depreciation				
Equipment	(3,284)	(412)	-	(3,696)
Governmental activities, capital assets, net	\$ 1,750	\$ 260,352	\$ -	\$ 262,102

(5) Accrued Expenses

Accrued expenses at June 30, 2008 total \$5,973. These consist of the following:

Accrued salaries and related benefits	\$ 5,059
Telephone expense	914
Total	<u>\$ 5,973</u>

(6) Deferred Revenue

The following is a summary of deferred revenues at June 30, 2008:

St. Martin Parish Government	\$ 18,154
St. Martin Parish Sheriff	15,000
Total Deferred Revenue	<u>\$ 33,154</u>

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

(7) Assessment Payable

The Authority is the collecting agent of assessments of the SMEDA business park for the St. Martin Parish Government. Assessments are charged in January of the fiscal year and due within thirty (30) days of receipt. For fiscal year ended June 30, 2008, the Authority collected \$30,263 in assessments, which is due to the St. Martin Parish Government.

(8) Note Payable

The following is a summary of debt transactions of the Authority for the year ended June 30, 2008:

Debt at July 1, 2007	\$ -
Debt assumed	137,500
Debt retired	<u>(56,000)</u>
Debt at June 30, 2008	<u>\$ 81,500</u>

Interest paid in fiscal year ending June 30, 2008 was \$1,099.

Debt at June 30, 2008 is comprised of the following:

\$81,500 Note payable due at maturity of April, 2009; interest rate of 4.30 percent; secured by pledge of certificate of deposit	<u>\$ 81,500</u>
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(9) Board of Directors' Compensation

No per diem or other compensation was paid to directors of the St. Martin Economic Development Authority for the year ended June 30, 2008.

## REQUIRED SUPPLEMENTARY INFORMATION

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Budgetary Comparison Schedule  
Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
City of Breaux Bridge	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
City of St. Martinville	14,000	14,000	14,000	-
St. Martin Parish Government	18,152	18,152	18,152	-
St. Martin Parish School Board	29,056	29,056	29,056	-
St. Martin Parish Sheriff	15,000	15,000	15,000	-
Interest income	700	17,934	17,786	(148)
Assessment	29,600	30,263	-	(30,263)
Industrial park project	-	-	41,310	41,310
Miscellaneous	-	-	2,000	2,000
<b>TOTAL REVENUES</b>	<b>116,508</b>	<b>134,405</b>	<b>147,304</b>	<b>12,899</b>
<b>EXPENSES</b>				
Accounting	2,365	2,170	2,170	-
Advertising	350	41	41	-
Allowance - travel	9,000	9,000	9,000	-
Capital outlay	-	-	260,764	(260,764)
Compensation expense				
Salary	42,683	45,518	42,802	2,716
Retirement	4,970	6,007	5,595	412
Group health insurance	7,685	11,494	10,033	1,461
Medicare	532	620	579	41
Workers' compensation	209	30	-	30
Dues & subscription	1,050	1,215	870	345
Economic development	1,000	6,523	6,523	-
Education	425	285	285	-
Industrial park project	17,950	21,180	21,180	-
Marketing and design	500	875	875	-
Miscellaneous	2,620	593	604	(11)
Office printing & supplies	2,500	2,944	2,944	-
Postage	500	1,133	1,049	84
Property assessments	-	-	30,824	(30,824)
Repairs	150	-	-	-
Telephone	2,200	3,012	3,497	(485)
Travel	1,500	543	543	-
Utilities	350	255	255	-
Debt service	-	-	57,099	(57,099)
<b>TOTAL EXPENSES</b>	<b>98,539</b>	<b>113,438</b>	<b>457,532</b>	<b>(344,094)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>17,969</b>	<b>20,967</b>	<b>(310,228)</b>	<b>(331,195)</b>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from note payable	-	-	137,500	137,500
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>137,500</b>	<b>137,500</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENSES</b>	<b>17,969</b>	<b>20,967</b>	<b>(172,728)</b>	<b>(193,695)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>589,331</b>	<b>589,331</b>	<b>589,331</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 607,300</b>	<b>\$ 610,298</b>	<b>\$ 416,603</b>	<b>\$ (193,695)</b>

See accountants' report.

**SCHEDULE OF FINDINGS,  
ATTESTATION REPORT AND  
QUESTIONNAIRE**



ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan  
Year Ended June 30, 2008

I. Prior Year Findings:

Compliance

There were no findings in this section at June 30, 2007.

Internal Control Over Financial Reporting

There were no findings in this section at June 30, 2007.

Management Letter Items

There were no findings in this section at June 30, 2007.

II. Current Year Findings and Management's Corrective Action Plan:

Compliance

08-1 Noncompliance with Louisiana Local Government Budget Act

Finding: Louisiana Revised Statute (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, requires that the budget be amended when total actual expenditures plus projected expenditures exceed the budgeted expenditures by five percent or more. The General Fund had an unfavorable variance of approximately 303%.

Management's Corrective Action Plan: The St. Martin Economic Development Authority Board of Directors, which meets in regular session the first Wednesday of each month, intends to review and monitor the monthly budget report as presented by Ms. Beth Roberts-Guidry, Executive Director, and will account for and amend all budget variances found accordingly.

08-2 Noncompliance with Louisiana State Bond Commission

Finding: Louisiana Revised Statute (LSA-R.S.) 39:1410.60-1410.65, requires entities to seek Bond Commission approval to incur debt for which the maturity date is greater than 90 days from the origination date. On two occasions, the Authority incurred debt greater than 90 days without seeking Bond Commission approval.

Management's Corrective Action Plan: The St. Martin Economic Development Authority Board of Directors will seek Louisiana State Bond Commission approval prior to incurring debt greater than 90 days.

(continued)

ST. MARTIN ECONOMIC DEVELOPMENT AUTHORITY  
St. Martinville, Louisiana

Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan (continued)  
Year Ended June 30, 2008

Internal Control Over Financial Reporting

There are no findings in this section at June 30, 2008.

Management Letter Items

There are no findings in this section at June 30, 2008.

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA\*  
P. Troy Courville, CPA\*  
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Wanda F. Arcement, CPA  
Kristin B. Dautzat, CPA  
Richard R. Anderson Sr., CPA  
Carolyn C. Anderson, CPA

Retired:  
Conrad O. Chapman, CPA\* 2006  
Harry J. Clostio, CPA 2007

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Fred Mills, Jr.  
St. Martin Economic Development Authority  
St. Martinville, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the St. Martin Economic Development Authority and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Authority's compliance with certain laws and regulations during the year ended June 30, 2008 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

### **Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with the legally adopted budget and all amendments.

6. Trace the budget adoption and amendments to the minute book.

Budget adoption and amendments were all traced to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted revenues by 5% or more; however, actual expenditures exceeded budgeted expenditures by more than 5%.

### **Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approval.

### **Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:4.1 through 42:12 (the open meetings law).

The Authority is only required to post a notice of each meeting and the accompanying agenda on the door of the office building. Although management has asserted that such documents were properly posted, we could not verify this other than by the written notes on the minutes noting posted dates. The agendas for the meetings were recorded in the minutes.

## **Debt**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted two deposits which appear to be proceeds of bank loans. No other deposits were noted that appeared to be proceeds of bonds or like indebtedness.

## **Advances and Bonuses**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Authority for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated October 18, 2007, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the St. Martin Economic Development Authority and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***

Certified Public Accountants

Breaux Bridge, Louisiana  
December 10, 2008

LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)

12/3/08

Kolder, Champagne, Slaven & Co., LLC  
Certified Public Accountants  
113 East Bridge Street  
Breaux Bridge, LA 70517

In connection with your review of our financial statements as of 6/30/08 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 12/3/08

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

#### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

#### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☐ No ☒

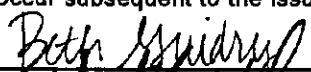

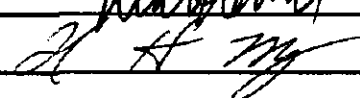
#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	12/03/08	Date
	Treasurer	12/03/08	Date
	President	12/03/08	Date